

TECHNOLOGY LETTER

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SUBJECT:

Project Cost Delegation

REFERENCES:

Government Code Sections § 11545 and 11546

Public Contract Code (PCC) Section 12100

State Administrative Manual (SAM) Section 4819.2, 4819.34, 4819.37, 4819.39, 4819.41, 4942, 5200.5, 5210

Technology Letter 18-06 IT Project Procurement Authority

Statewide Information Management Manual (SIMM) Section 15

BACKGROUND

Pursuant to Government Code (GC), Sections 11545 and 11546, the California Department of Technology (CDT) has the authority and responsibility to oversee and assign an IT Project Cost Delegation to Agencies/state entities. [State Administrative Manual \(SAM\)](#) Section 4819.39 describes and outlines the authority that the CDT has to assign project cost thresholds for oversight and reporting purposes.

In an effort to increase autonomy and promote high quality and successful IT projects, the CDT has defined processes and procedures to determine the Project Cost Delegation, previously known as the Delegated Cost Threshold. [Statewide Information Management Manual \(SIMM\)](#) Section 15 has been updated to include a new process whereby Agency/state entities can complete the Project Cost Delegation assessment if they would like to request a change to their current Project Cost Delegation. Each Agency/state entity is designated by the CDT a minimum total project development cost based on the completion of the Project Cost Delegation Accreditation. The Project Cost Delegation Accreditation template should be completed from the perspective of the Agency/state entity that is requesting the change.

Pursuant to Public Contract Code (PCC) Section 12100 (g) and 12102.2 (e), IT project acquisition (aka "procurement") authority is dependent upon Project Cost Delegation. Acquisitions related to delegated IT projects are conducted under the Department of General Services' (DGS) procurement authority. [SAM](#) Sections 5200.5 and 5210 describe the acquisition authority for IT goods and services related to IT projects. Increases to Project Cost Delegations may increase autonomy for project oversight; however, the acquisitions related to delegated IT projects are subject to DGS oversight and procurement authority. The process in [SIMM](#) Section 15, specifies that CDT will consult with the DGS Procurement Division before changing the Project Cost Delegation for an Agency/state entity.

